policy acquires paid up value on payment of premium for a minimum period of three years. It also becomes entitled for bonus under "with profit" policies if premium has been paid for five years. The paid up value along with bonus, if eligible, is payable on expiry of the policy or at death if it occurs earlier. Under whole life plans sum assured is payable only on death of the life assured while under endowment type of plan sum assured is payable either at the expiry of the term of at death if it occurs earlier.

Memorandum of ASSOCHAM to RBI

906. SHRI GOVINDRAO ADIK: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in a memorandum of the Associated Chambers of Commerce and Industry of India (ASSOCHAM) to the Reserve Bank of India (RBI) it has been urged that there is need for larger availability of credit to the corporate sector at lower rate of interest, especially to make the exports from India competitive globally;

(b) if so, the details thereof; and

(c) what action Government have taken so far or propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) The Reserve Bank of India (RBI) have informed that the Associated Chamber of Commerce and Industry of India (ASSOCHAM) had submitted in December, 1993 a note to them on various issues which included inter-alia, issues related to availability of credit to Corporate sector, rate of interest and export credit. These issues were discussed by RBI with the representatives of ASSOCHAM on December 23, 1993. The representatives of ASSOCHAM were informed inter-alia that RBI had advised banks to meet the genuine and felt requirements of borrowers and also to ensure that the delegated credit sanctioning powers were duly exercised and pending proposals for new loans as also renewals be processed within a maximum period of three months. RBI informed the representatives of ASSOCHAM that not-withstanding the considerable rationalisation and simplification of the administered interest rate structure in the past few years, time was not yet opportune to free lending rates altogether. RBI also informed them about the steps taken for ensuring timely and adequate availability of export credit. It was mentioned to them that preshipment export credit (Rupee) and post shipment export credit (denominated in foreign currency) is provided by the banks at concessional rates.

Cut in Government Expenditure

907. PROF. VIJAY KUMAR MALHOTRA:
SHRI KRISHAN LAL SHARMA:
SHRI TRILOKI NATH CHATURVEDI:
DR. MURLI MANOHAR JOSHI:
SHRI KAMAL MORARKA:
SHRI N.E. BALARAM:
SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item captioned "Sarkari Kharche mein katoti ki yojna Makhol ban kar reh gai" appearing in the Jansatta dated 6th February, 1994;

(b) whether it is a fact that Prime Minister had announced in 1991 that a drastic cut would be made in the Government expenditure; if so, what are the main areas where cuts were proposed;

(c) whether the Cabinet Secretariat has made any assessment; if so, what are the findings;

(d) whether Government have made any savings during the last three years as compared to 1990 in the expenditure of telephone bills, petrol, travelling expenditure and allowances of Ministers; if so, what are the details thereof; and

(e) the reasons, if any, for Government being not able to contain expenditure in Government officers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) The Prime Minister had announced several measures to reduce expenditure in his address to the National Development Council in 1991 which, inter-alia, included:—

(i) Reduction in posts at various levels.

(ii) Ban on air travel by first class.

(iii) Surrender of atleast 10% of the telephone lines.

(iv) Reduction in travelling allowance—both domestic and international by 20% in the year 1992-93.

(c) to (e) Keeping the Government expenditure under control is a continuous exercise. Instructions are issued from time to time regarding measures to be taken to effect economy in expenditure. The information in regard to the savings on account of these instructions is not maintained.

Losses suffered by LIC Policyholders

908. DR. YELAMANCHILI SIVAJI Will the Minister of FINANCE be pleased to state:

(a) how many L.I.C. policies have lapsed during the last three years;

(b) what is the total amount of loss suffered by the policyholders out of this; and

(c) what steps are taken to safeguard the interest of policyholders in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The number of policies which lapsed during the last 3 years is given below:

Year	No. of policies lapsed
1990-91.....	20,40,315
1991-92.....	24,12,307
1992-93.....	27,91,475
Total:	72,44,097

(b) and (c) Policyholders suffer no loss on account of lapsed policies because the risk of their lives will be covered as long as the policy is in force. To safeguard the interest of the policyholders, the lapsed policy can be revived within a period of 5 years from the date of lapse under various revival schemes of the LIC by paying arrears of premiums with interest and submission of evidence of good health. The LIC also organises "special Revival Campaign" from time to time to encourage policyholders to revive the lapsed policies by granting certain relaxations such as waiver of part of interest, etc.

Jewellery and Ornaments Auctioned by Nationalised Banks

909. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that nationalised banks auctioned jewellery and ornaments that are hypothecated by